

### Amendments to the Drawings

The attached five drawing sheets include changes to Figures 2, 3, 4, 9 and 10. These five drawing sheets replace the original five drawing sheets that included Figures 2, 3, 4, 9 and 10.

In Figure 2, the direction of the arrow has been changed that corresponds to the underlined reference number "13".

In Figure 3, the direction of the arrow has been changed that corresponds to the underlined reference number "14".

In Figure 4, within step 41 a space was added between the words "TO" and "BE".

In Figure 9, the reference number "90" has been moved and underlined. The reference number "97" has been removed. The labels across the top of the sheet have been deleted. The inverted labels across the bottom of the sheet have been deleted.

In Figure 10, the reference number corresponding to the "DISPLAY DEVICE" label has been changed to "1046". The reference number corresponding to the "ALPHANUMERIC INPUT" label has been changed to "1041".

Attachment: 5 Replacement Sheets

## REMARKS

Claims 1-7, 9-15 and 17-23 are rejected. Claims 1-7, 9-15 and 17-23 are currently pending in the present patent application. Applicants respectfully request further examination and reconsideration in view of the remarks set forth below.

### Specification

Applicants respectfully note that numerous amendments have been made throughout the specification of the patent application in order to correct informalities that existed therein. As such, Applicants believe that the amendments herein to the patent application do not add new matter to it.

### 35 U.S.C. §112 Rejections

The present Office Action alleges: "Claims 1-7, 9-15, and 17-23 are rejected under 35 U.S.C. 112, first paragraph." Furthermore, the present Office Action alleges: "Claims 1, 9, and 17 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The specification clearly does not disclose what is the scope of a best preference policy and similarly predicating." Applicants respectfully assert that Claims 1, 9, and 17 have been amended herein such that each recites "an optimal preference policy" which is supported by the specification. As such, Applicants believe these rejections have been addressed.

### 35 U.S.C. §101 Rejections

The present Office Action alleges: "Claim 1 is rejected under 35 U.S.C. 101 because: The claimed invention lacks patentable utility. The claim stops at generating scores, how it is utilized in missing." Additionally, the present Office Action alleges: "Claim 1 has no tangible result, the claim stops at outputting a policy. None of preference policy has been applied to produce useful result. Claim 1 lacks a concrete result, because preference by one person (organization) may not be preferred by the second person, therefore it [i]s not repeatable." Applicants respectfully assert that Claim 1 has been amended herein so that it recites "[a] computer implemented method", which produces a tangible result. As such, Applicants believe these rejections have been addressed.

### 35 U.S.C. §103 Rejections

Claims 1-7, 9-15 and 17-23 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ausubel, U.S. Patent No. 6,021,398 (hereinafter Ausubel), in view of Rackson et al., U.S. Patent No. 6,415,270 (hereinafter Rackson), Luke et al., U.S. Patent No. 6,131,087 (hereinafter Luke) and Admitted Disclosed Prior Art (ADPA).

Applicant respectfully directs the Examiner to amended independent Claim 1 that recites an embodiment of the invention (emphasis added):

A computer implemented method for determining a preference policy for an auction to be conducted, said method comprising:  
selecting characteristics of said auction to be conducted;  
selecting a relevant bidding model for said auction to be conducted;  
estimating a structure of said auction to be conducted, said estimating comprises expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model;

predicting a bidding behavior for said auction to be conducted; predicting a first outcome of said auction to be conducted; and evaluating said first outcome of said auction to be conducted, wherein said evaluating comprises:

Selecting an optimal preference policy from a plurality of candidate preference policies for treating different groups of bidders differently, wherein said optimal preference policy comprises the candidate preference policy within a plurality having the highest ranking; and

outputting said optimal preference policy to an auction implementation system.

Applicants respectfully note that amended independent Claims 9 and 17 include similar limitations to those recited above in amended independent Claim 1.

Furthermore, Applicants respectfully point out that Claims 2-7 that depend from amended independent Claim 1, Claims 10-15 that depend from amended independent Claim 9, and Claims 18-23 that depend from amended independent Claim 17, provide further recitations of features of the invention.

Applicants respectfully assert that Ausubel does not teach or suggest the above recited combination of elements as recited in amended independent Claims 1, 9 and 17. For instance, Ausubel fails to teach or suggest "said estimating comprises expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model" as claimed. In particular, Applicants respectfully submit that Ausubel is silent as to inverting a bid model as claimed.

Moreover, Applicants respectfully contend that the combination of Ausubel in view of Rackson fails to teach or suggest this claim limitation because Rackson does not overcome the shortcomings of Ausubel. That is, Applicants respectfully contend that Rackson does not teach or suggest "said estimating comprises expressing

unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model" as claimed. Specifically, Applicants respectfully submit that Rackson is silent as to inverting a bid model as claimed.

Furthermore, Applicants respectfully assert that the combination of Ausubel in view of Rackson and Luke fails to teach or suggest this claim limitation because Luke does not overcome the shortcomings of Ausubel in view of Rackson. For example, Applicants respectfully contend that Luke does not teach or suggest "said estimating comprises expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model" as claimed. In particular, Applicants respectfully submit that Luke is silent as to inverting a bid model as claimed.

Additionally, Applicants respectfully contend that the combination of Ausubel in view of Rackson, Luke and ADPA fails to teach or suggest this claim limitation because ADPA does not overcome the shortcomings of Ausubel in view of Rackson and Luke. That is, Applicants respectfully assert that ADPA does not teach or suggest "said estimating comprises expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model" as claimed. Specifically, Applicants respectfully submit that ADPA is silent as to inverting a bid model as claimed.

Applicants respectfully assert that nowhere does the combination of Ausubel in view of Rackson, Luke and ADPA teach or suggest "said estimating comprises

expressing unobservable variables in terms of observable bids, wherein said unobservable variables are expressed in terms of observable bids by inverting said bid model" as recited in amended independent Claims 1, 9 and 17. As such, Applicants respectfully submit that these claims overcome the rejection under 35 U.S.C. §103(a), and are thus in condition for allowance.

With respect to Claims 2-7, 10-15 and 18-23, Applicants respectfully point out that Claims 2-7, 10-15 and 18-23 depend from allowable independent Claims 1, 9 and 17, respectively, and recite further embodiments of the present claimed invention. Therefore, Applicants respectfully submit that Claims 2-7, 10-15 and 18-23 overcome the rejection under 35 U.S.C. §103(a), and that these claims are thus in a condition for allowance as being dependent on allowable base claims.

CONCLUSION

In light of the above remarks, Applicants respectfully request reconsideration of the rejected claims. Based on the remarks presented above, Applicants respectfully assert that Claims 1-7, 9-15 and 17-23 overcome the rejections of record and, therefore, Applicants respectfully solicit allowance of these Claims.

The Examiner is invited to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present application.

Respectfully submitted,

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